

Report to the
Senate Appropriations Committee on Health and Human Services
House of Representatives Appropriations Subcommittee
on Health and Human Services
and
Joint Legislative Oversight Committee
on Mental Health, Developmental Disabilities and
Substance Abuse Services

Monthly Report on Community Support Services

December 2007

Session Law 2007-323

House Bill 1473

Section 10.49.(ee)

January 31, 2008

North Carolina Department of Health and Human Services

Executive Summary

Legislation in 2007 requires the Department of Health and Human Services to report monthly on the use and cost of community support services for persons with mental health, developmental, and substance abuse disabilities. This December 2007 report includes data on the past 18 months of services. The following highlights provide a summary of that information.

Highlights

- In October 2007, about 27,200 children and 14,400 adults received Medicaid-funded community support services and about 500 children and almost 3,200 adults received State-funded community support services.
- Over 1 million hours of Medicaid-funded community support services, at a cost of almost \$55 million, were provided to children and adolescents in October 2007. State-funded services for children and adolescents totaled about 7,300 hours and cost about \$333,000.
- Medicaid-funded community support services for adults totaled almost 400,000 hours in October 2007, at a cost of almost \$20.5 million. Over 16,000 hours of State-funded services were provided that month, at a cost of over \$641,000.
- In October 2007, the use of Medicaid-funded community support services averaged 39 hours per month for 8.5 months for children and adolescents and 28 hours per month for 9.5 months for adults. State-funded services were provided for half that long, on average and at less than half that intensity.
- As of December 31, 2007, 1,470 provider sites were actively enrolled with Medicaid to provide community support services and the enrollment of 283 had been terminated.
- The Local Management Entities (LMEs) completed the first round of Post-Payment Clinical reviews in September 2007. Almost 500 provider sites, or 63% of those reviewed, have been referred to the Division of Medical Assistance for further scrutiny.
- Far more persons receive community support than the other newly enhanced services that were implemented in March 2006. The greatest numbers of persons receiving other enhanced services in October 2007 were found in psychosocial rehabilitation and assertive community treatment teams.
- The highest *total hours* of services in October 2007— after community support — were for psychosocial rehabilitation and child day treatment. *Average hours per person* for these Medicaid-funded services during October remained over twice the average hours for community support.
- The most expensive services after community support in October 2007 were child day treatment and assertive community treatment teams, at over \$2.4 million each, and psychosocial rehabilitation and community support teams, at \$1.5 million each (Medicaid and State funds combined).

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Community Support Services December 2007 Report

Legislative Background

Session Law 2007-323, House Bill 1473, Section 10.49.(ee) requires the Department of Health and Human Services to “[evaluate] the use and cost of community support services to identify existing and potential areas of over utilization and over expenditure.” Section 10.49.(ee)(10) further stipulates that the Department will:

“Beginning October 1, 2007, and monthly thereafter, report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include the following:

- a. The number of clients of community support services by month, segregated by adult and child;*
- b. The number of units of community support services billed and paid by month, segregated by adult and child;*
- c. The amount paid for community support by month, segregated by adult and child;*
- d. Of the numbers provided in sub-subdivision b. of this subdivision, identify those units provided by a qualified professional and those provided by a paraprofessional;*
- e. The length of stay in community support, segregated by adult and child;*
- f. The number of clinical post payment reviews conducted by LMEs and a summary of those findings;*
- g. The total number of community support providers and the number of newly enrolled, re-enrolled, or terminated providers, and if available, reasons for termination;*
- h. The number of community support providers that have been referred to DMA's Program Integrity Section, the Division's "Rapid Action response" committee; or the Attorney General's Office;*
- i. The utilization of other, newly enhanced mental health services, including the number of clients served by month, the number of hours billed and paid by month, and the amount expended by month.”*

About the Data: The following pages include historic data for 18 months, in order to capture trends in the use of community support services since its inception. The data span Medicaid-funded and State-funded services that were provided between July 1, 2006 and December 31, 2007 based from service claims paid through December 31, 2007. The data on the following pages – with the exception of Figure 1.7 and 1.8 – are based on the *date of service*, rather than the *date of payment*, as this gives a more accurate description of the actual trends in use of services. (See page 7 for more information.) Caution is necessary in interpreting data for the most recent months, due to delays in providers’ submission of service claims.

The possibility of incomplete data for the most recent months is represented by dotted lines (- - -) in the graphs.

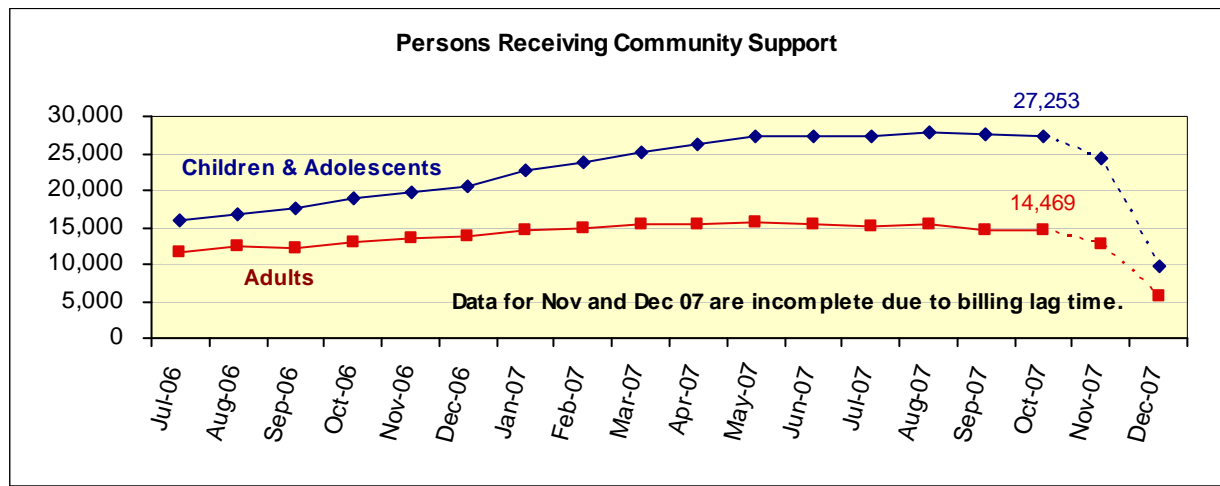
Medicaid funding defines children as ages 0-20; State funding defines children as ages 0- 17.

Use of Community Support Services

Number of Consumers

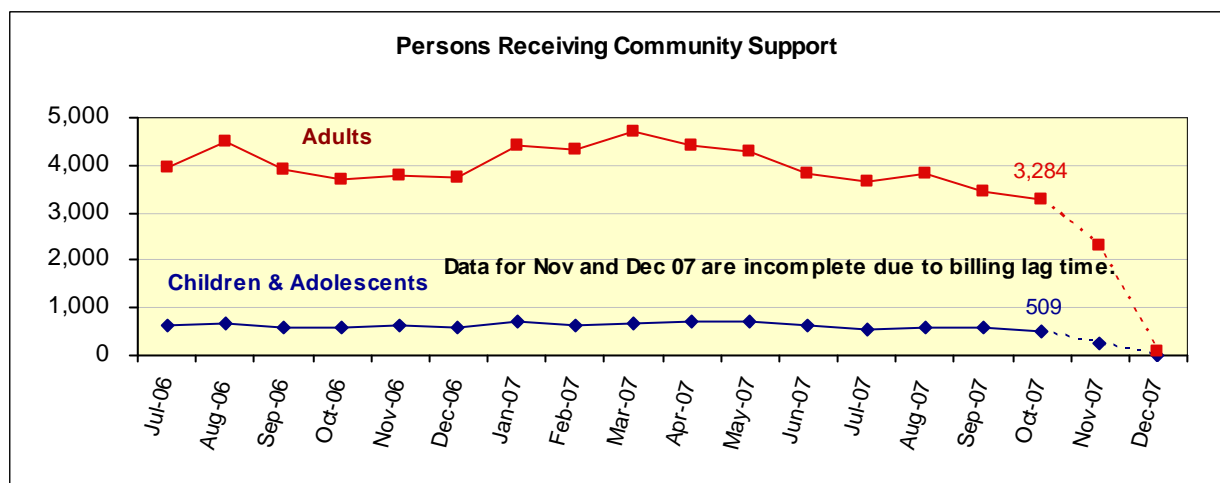
As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded community support services in the past 18 months grew to over 27,000 children and adolescents and over 14,000 adults by October 2007. Preliminary data for November-December, 2007 (indicated by the dotted lines) suggest a continuation of the leveling off in persons served.

Figure 1.1
Medicaid-Funded Services



As indicated by Figure 1.2 below, more adults receive State-funded community support services than children and adolescents. The number of adults served has continued to decrease since March 2007, while the number of children and adolescents has remained fairly stable.

Figure 1.2
State-Funded Services



Volume of Services

Since last month's report, there has been a slight increase in the hours of Medicaid-funded community support provided, as shown in Figure 1.3. Children and adolescents received over one million hours of services (4.2 million units), and adults received over 400,000 hours (1.6 million units) in October 2007.

Figure 1.3
Medicaid-Funded Services

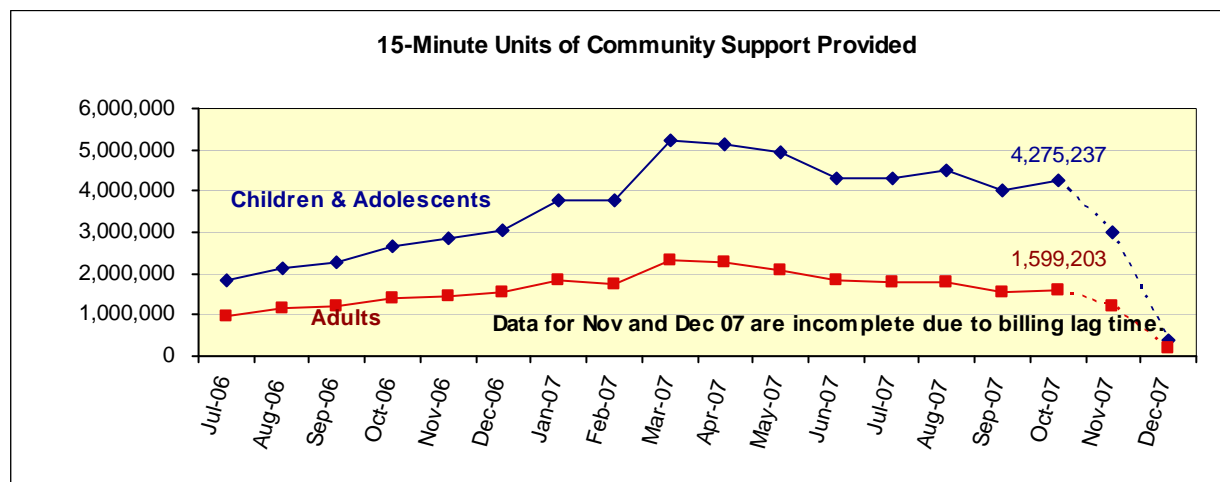
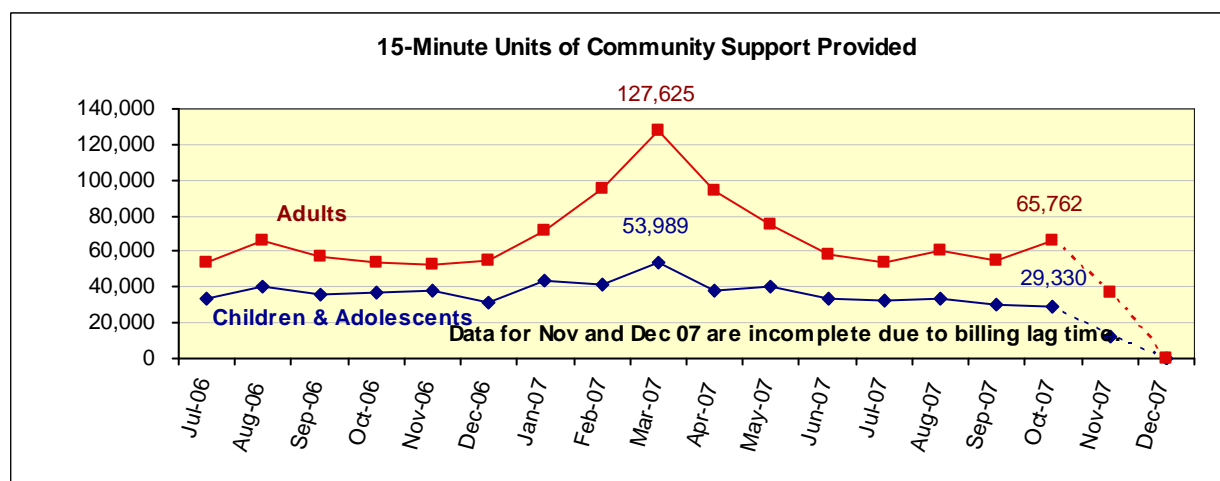


Figure 1.4 below shows a peak in State-funded services in March 2007 for both adults and children and adolescents. Units of service for adults grew to almost 128,000 (32,000 hours) in March 2007 and declined by 49% to under 66,000 units (16,250 hours) by October 2007.

Community support provided to children and adolescents was cut in half in the past 7 months with a decline from almost 54,000 units (13,500 hours) in March 2007 to slightly over 29,000 units, (7,300 hours) in October 2007.

Figure 1.4
State-Funded Services



Services by Qualified Professionals and Paraprofessionals

A breakdown of units provided by qualified professionals and by paraprofessionals will be included in subsequent reports once Division staff have reviewed the quality of the data..

Cost of Services

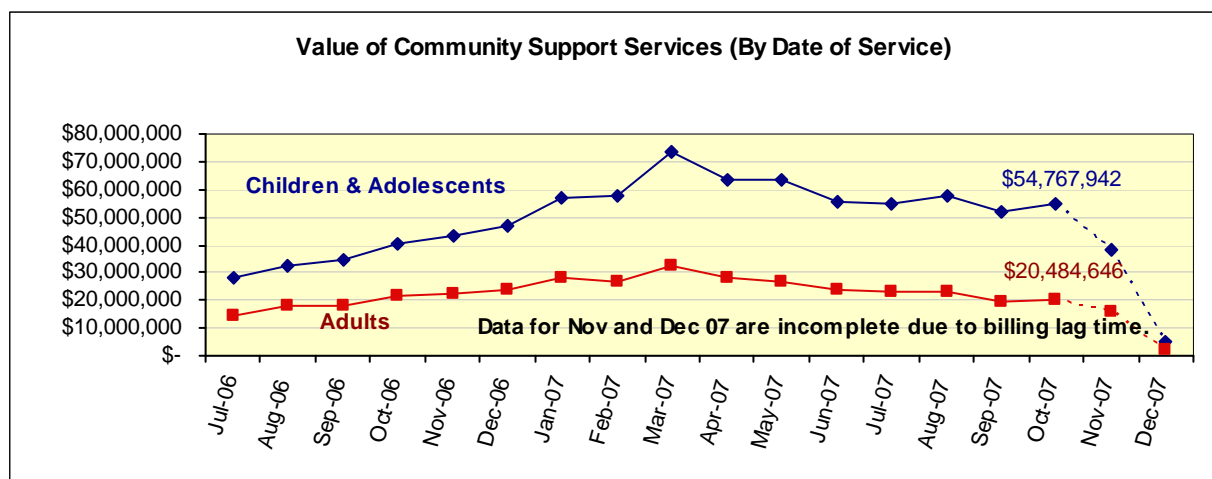
In order to present the most accurate picture of the cost of community support services, two methods of calculating expenditures are needed.

Patterns in service costs are calculated based on the *date of service*. These data (see Figures 1.5 and 1.6) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the most recent months (November-December 2007) require cautious interpretation. Due to the time needed for claims submission and processing, expenditures shown for these most recent months are likely to be incomplete.¹

Patterns in service payments are calculated using the *date of payment* of the service claim. This information (see Figures 1.7 and 1.8) provides a good representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment is less helpful for evaluating or predicting trends in use of community support services, due to variability in providers' claims submission practices and the number of check-write cycles that occur each month.

As shown in Figure 1.5, the monthly Medicaid cost of community support services peaked in March 2007. As of October 2007, the cost of services provided had dropped to almost \$54.8 million for children and adolescents and almost \$20.5 million for adults. Although expenditures for children and adolescents have dropped 25% since the March 2007 peak, they are still 26% above the value of October 2006 services. Adult expenditure data show a 5% decline since October 2006.

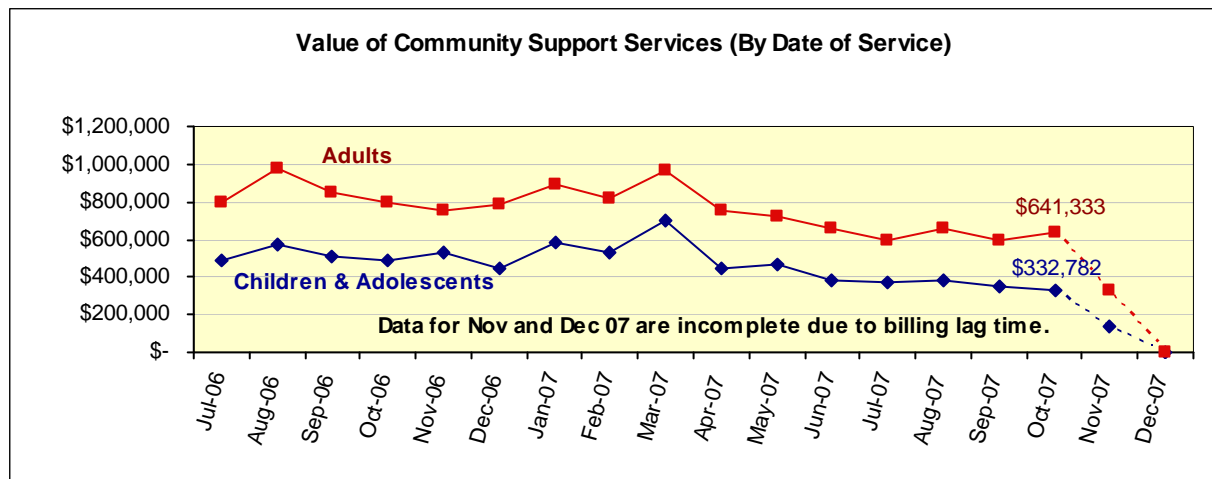
Figure 1.5
Medicaid-Funded Services



¹ Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

As shown in Figure 1.6, the monthly State-funded cost of community support services reached over \$964,000 for adults and \$703,000 for children and adolescents in March 2007 before beginning to drop. By October 2007, the cost of services had decreased by one-third to about \$641,000 for adults. Child and adolescent services had decreased by half to under \$333,000.

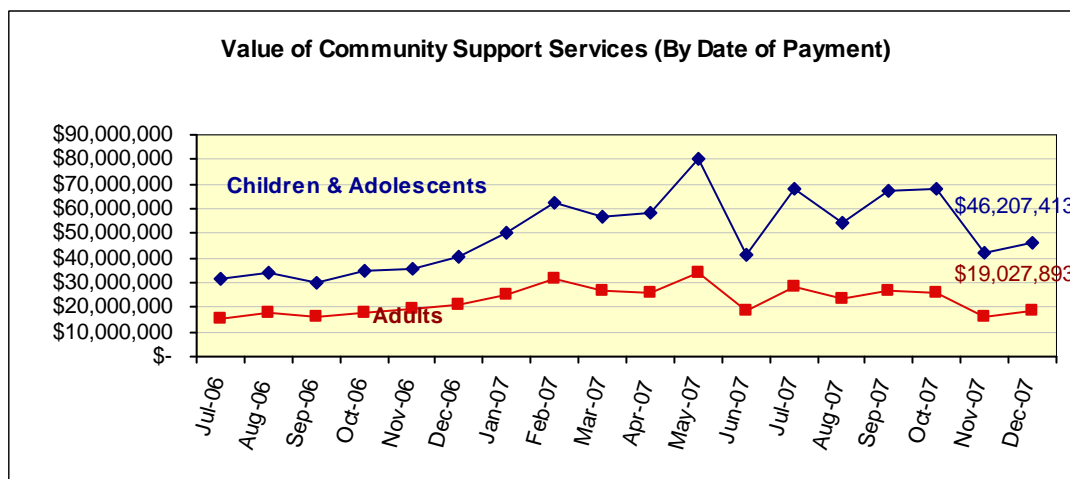
Figure 1.6
State-Funded Services*



*Data does not include the cost of services provided in LMEs that receive Single Stream funding.

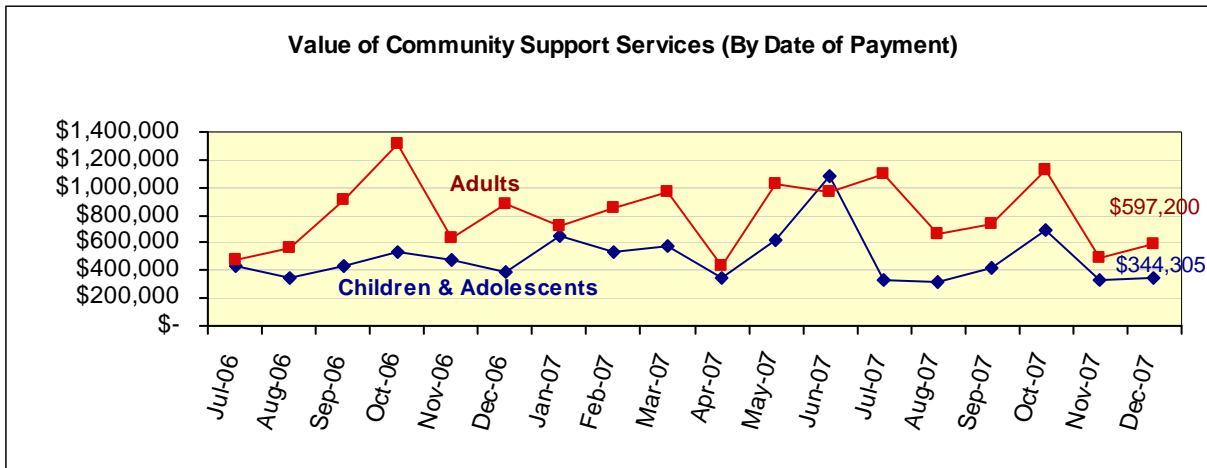
As shown in Figure 1.7, monthly Medicaid payments to providers for community support services peaked in May of 2007. In December the payments totaled about \$46.2 million for children and adolescents and \$19 million for adults.

Figure 1.7
Medicaid-Funded Services



Payments of state funds made through the Integrated Payment and Reimbursement System (Figure 1.8) on the next page, reflect a more irregular billing pattern for community support children and adolescents and for adults.

Figure 1.8
State-Funded Services*

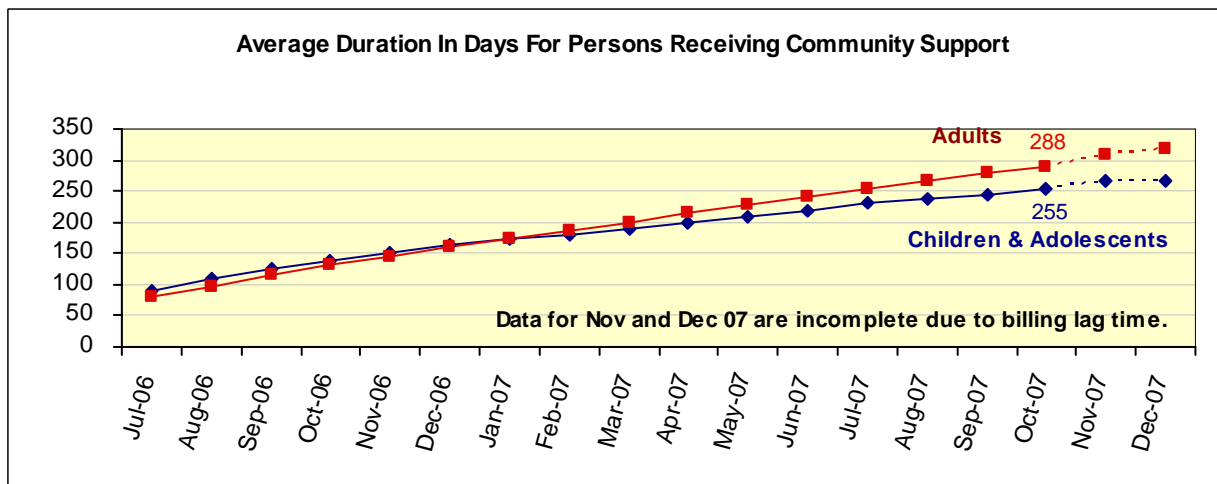


*Data does not include the cost of services provided in LMEs that receive Single Stream funding.

Intensity of Services (Length of Service and Hours Per Person)

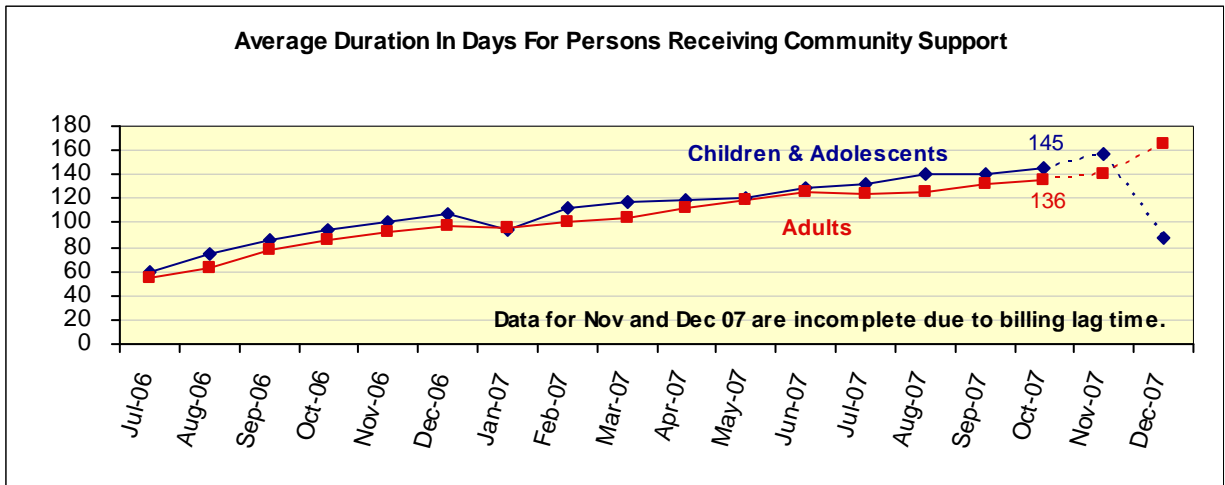
The *average length of service* or duration of services, as shown in Figure 1.9 below, shows a steady rise in how long individuals remain in community support services. In October 2007, the average length of service was over eight months (255 days) for children and adolescents and nine months (288 days) for adults. Preliminary data for November and December suggest that the average length of service is continuing to rise.

Figure 1.9
Medicaid-Funded Services



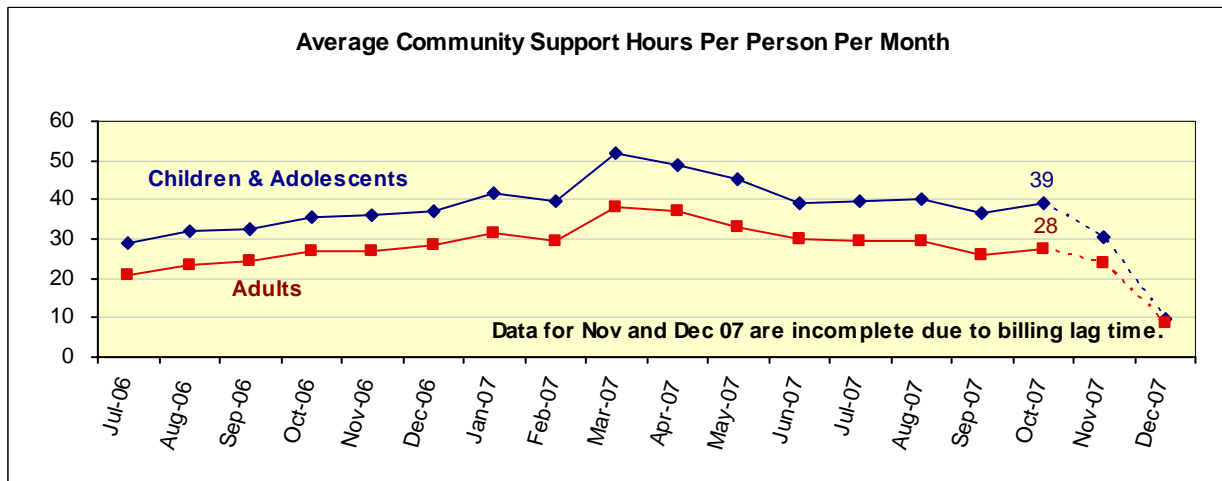
The *average length of service* for State-funded consumers, as shown in Figure 1.10 on the next page, also shows a steady rise. In October 2007, the average length of service was almost five months (145 days) for children and adolescents and over four months (136 days) for adults.

Figure 1.10
State-Funded Services



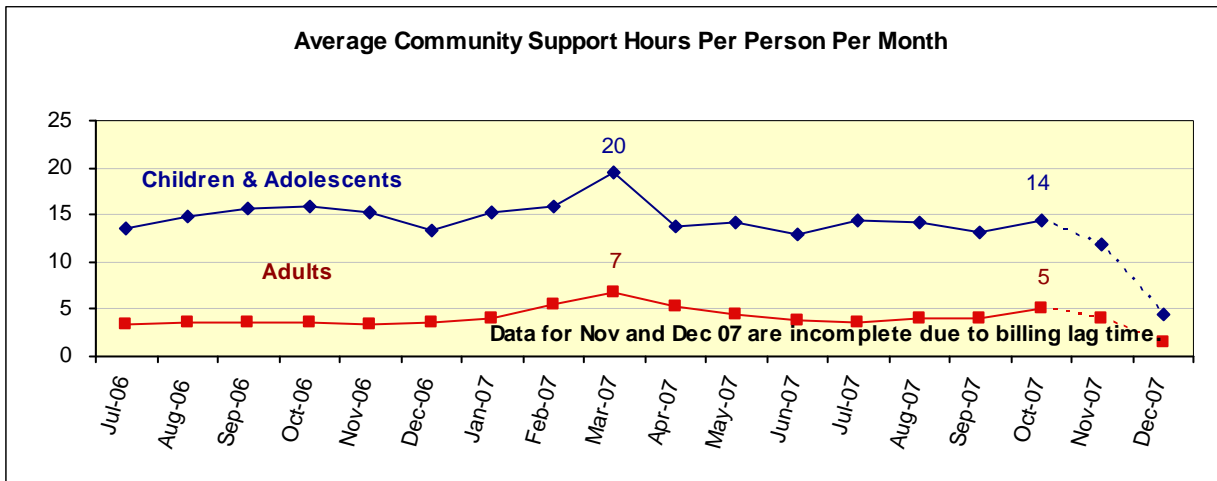
Average hours per person per month provide additional information for evaluating the intensity of the services provided. As indicated in Figure 1.11 below, the average hours per month funded by Medicaid remained relatively stable at 39 hours a month per child/adolescent and 28 hours a month per adult in October 2007.

Figure 1.11
Medicaid-Funded Services



As indicated in Figure 1.12 below, children and adolescents received an average of 14 hours per month for State-funded community support services and adults received an average of 5 hours a month in October 2007, after peaking at 20 hours a month per child / adolescent and 7 hours per adult in March 2007.

Figure 1.12
State-Funded Services

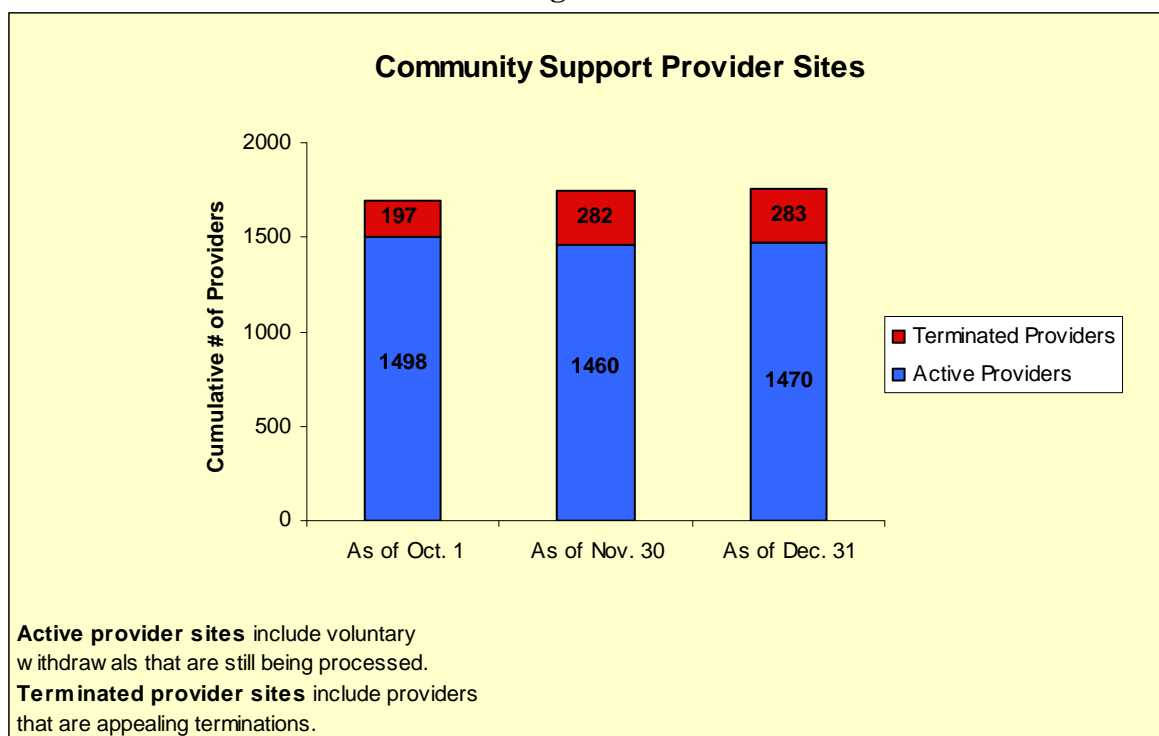


Community Support Providers

Number of Enrolled Providers

As of October 1, 2007, a total of 1,695 distinct provider sites had been enrolled to provide community support services before enrollment for new providers was halted in November 2007.² Of these, 197 sites had been terminated prior to that date. As of December 31, 2007 1,470 provider sites were actively enrolled to provide community support services, while 283 provider sites had their enrollment terminated. The North Carolina Department of Health and Human Services (DHHS) will include re-enrollment information once the suspension of new enrollments is lifted.

Figure 2.1

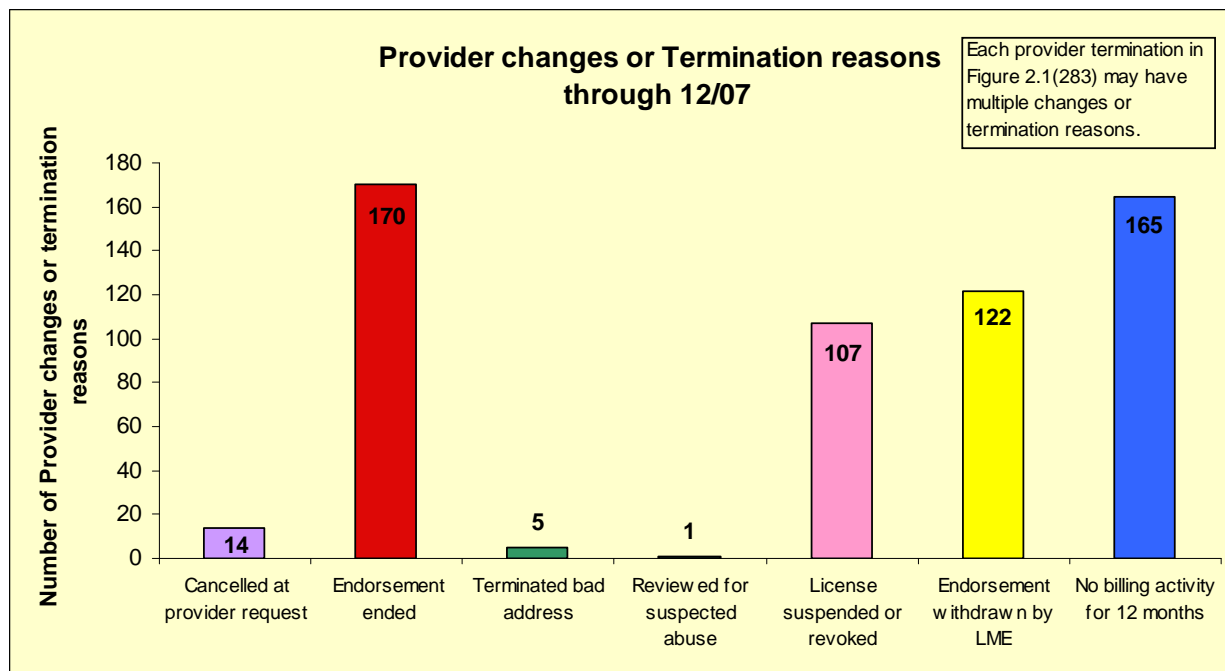


*Current Provider data was created on 1/15/07

Figure 2.2 on the next page, outlines reasons for changes and terminations for the 283 providers terminated in the figure above. Provider inactivity, lapsed endorsements, and suspensions or revocations by LME's or the licensing agency represented the most frequent reasons for termination.

² Providers are identified by the specific location from which services are delivered. A single business entity that has multiple enrolled sites is counted multiple times in Figure 2.1.

Figure 2.2



Clinical Post-Payment Reviews

As reported last month, the LMEs completed the first round of post-payment reviews in September 2007. These reviews included 4,155 reviews of adults and 7,646 reviews of children and adolescents who received at least twelve hours per week of community support services and involved 777 provider sites. As shown in Figures 2.3 and 2.4 on the next page, only 10% of adults' services and 11% of child services were considered medically necessary with appropriate duration and intensity. The reviews indicated that 54% of the individuals reviewed received community support services that were medically necessary, but not of appropriate duration or intensity. The remaining individuals received services that were determined not to be medically necessary. The LMEs are currently completing service record reviews and preparing for the next phase of the post-payment review process. Results of those reviews will be reported when completed.

Figure 2.3

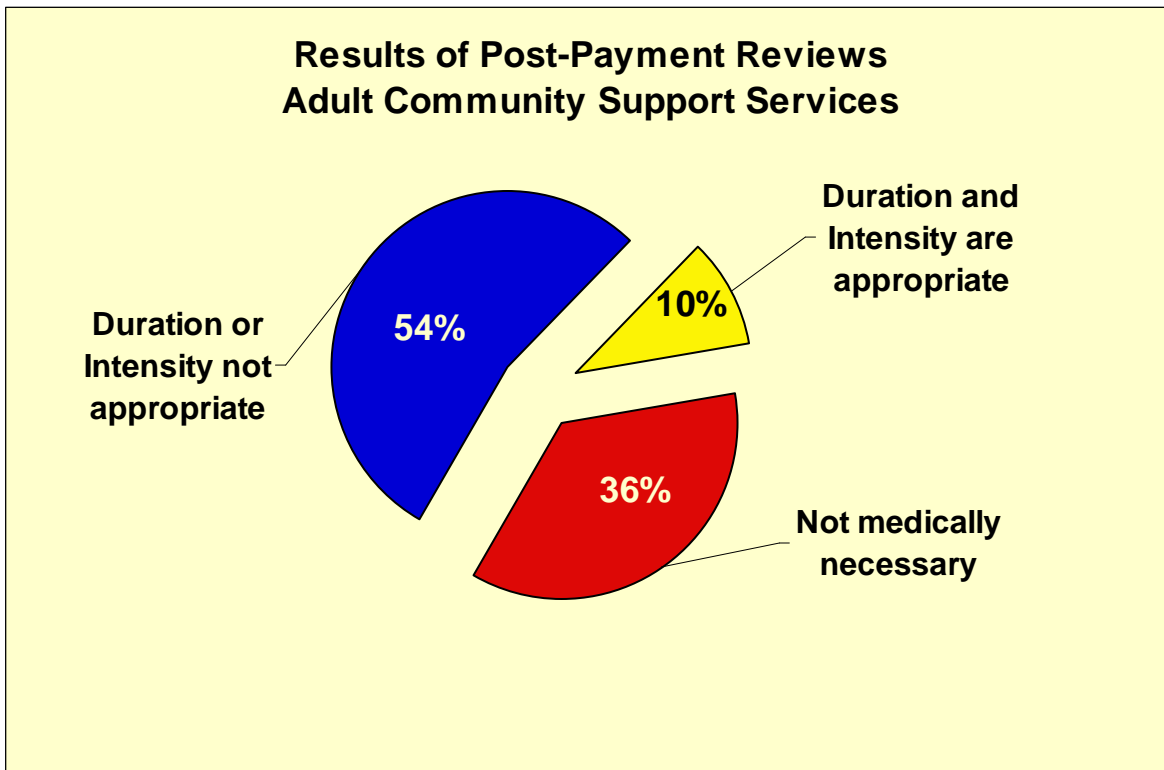
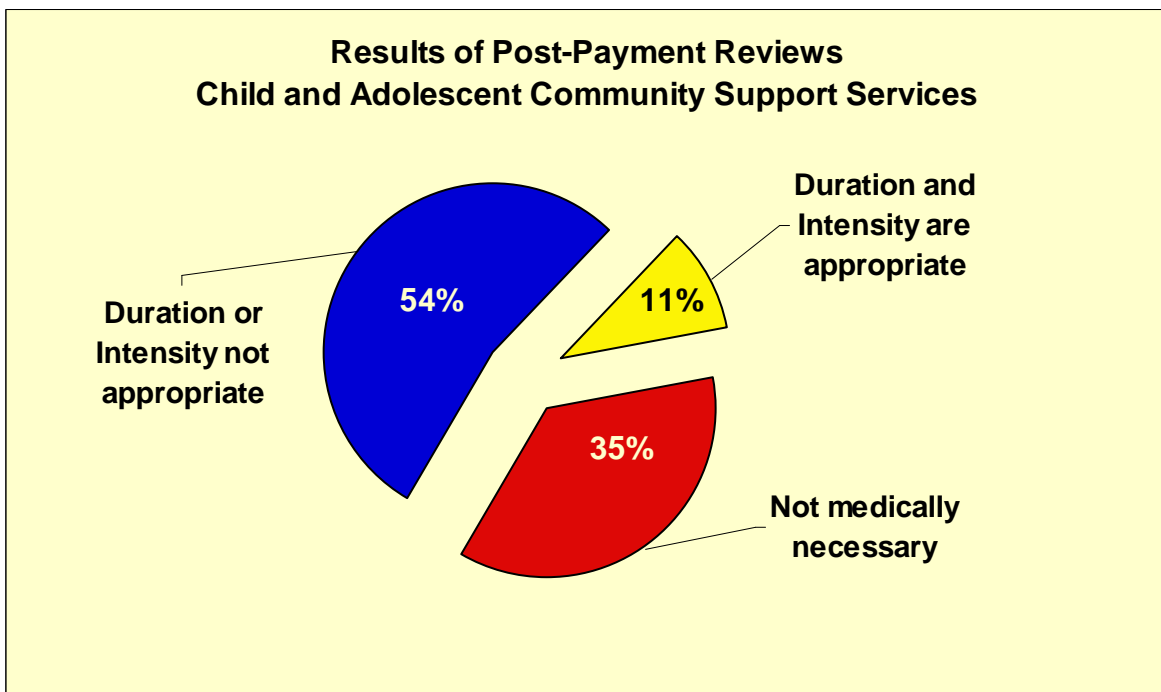


Figure 2.4



Actions Taken and Providers Referred for Further Review

As shown in Figure 2.5 below, almost 500 community support providers, or 63% of those reviewed, have been referred to the Division of Medical Assistance (DMA) Program Integrity Section for further scrutiny. Decisions about further referrals, actions and sanctions will occur after completion of review by DMA. Due to the current volume of community support providers being reviewed by the Program Integrity (PI) Section, the Rapid Action Committee will not review the cases prior to further action.³ The Program Integrity Section is currently reviewing provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).⁴

Figure 2.5

Community Support Providers Referred for Further Action					
As of December 31, 2007					
	Previous Totals	November Totals	December Totals	Cumulative Totals	%
Providers Reviewed By LMEs	777	--	--	777	100%
Providers Referred to DMA PI Section	216	265	13	494	63%
Providers Referred to DMA Rapid Action Committee	*	*	*	*	*
Providers Referred by DMA to Attorney General's Medicaid Investigation Unit	*	*	*	*	*

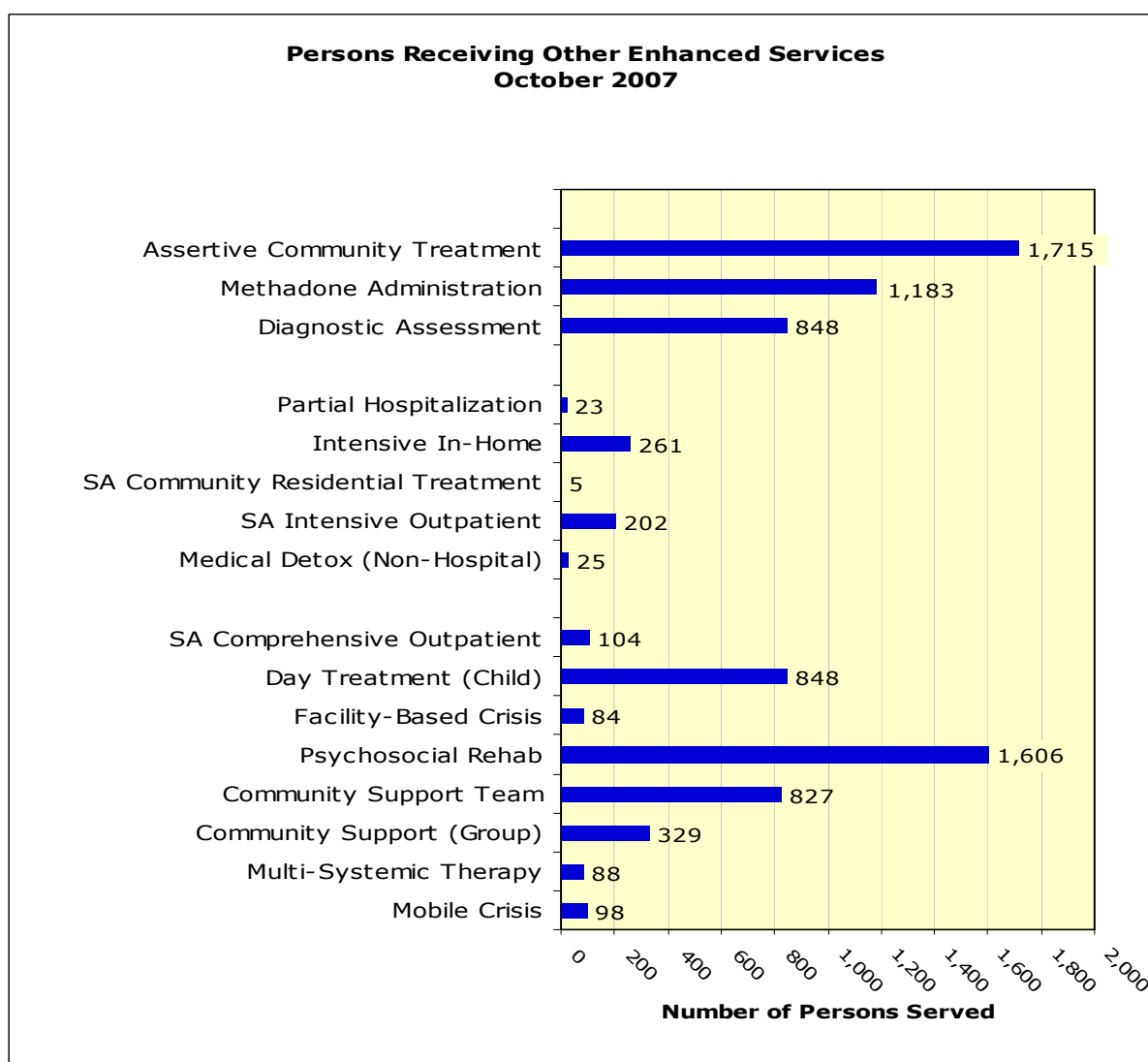
³ The Rapid Action Committee will continue to review actions and sanctions for other types of MH/DD/SAS providers.

⁴ Any direct referrals of community support providers to the MIU by agencies, families, or other stakeholders that do not pass through review by DMH or DMA, will not be included in this report.

Use of Other New Enhanced Services

The number of individuals receiving other Medicaid-funded enhanced services in October 2007, as shown in Figure 3.1, was much lower than the 41,722 individuals who received community support during that month. (Refer to Figure 1.1.) The greatest numbers of persons receiving other enhanced services were in psychosocial rehabilitation (PSR) and assertive community treatment teams (ACTT). The number of persons receiving PSR dropped (from 1,628 in September to 1,606 in October. In contrast, the number of persons receiving ACTT increased 8% (from 1,581 to 1,715 individuals) during the same period. The number of persons receiving community support treatment (CST) in September 2007 rose 9% in the last month (from 756 in September to 827 in October 2007).⁵

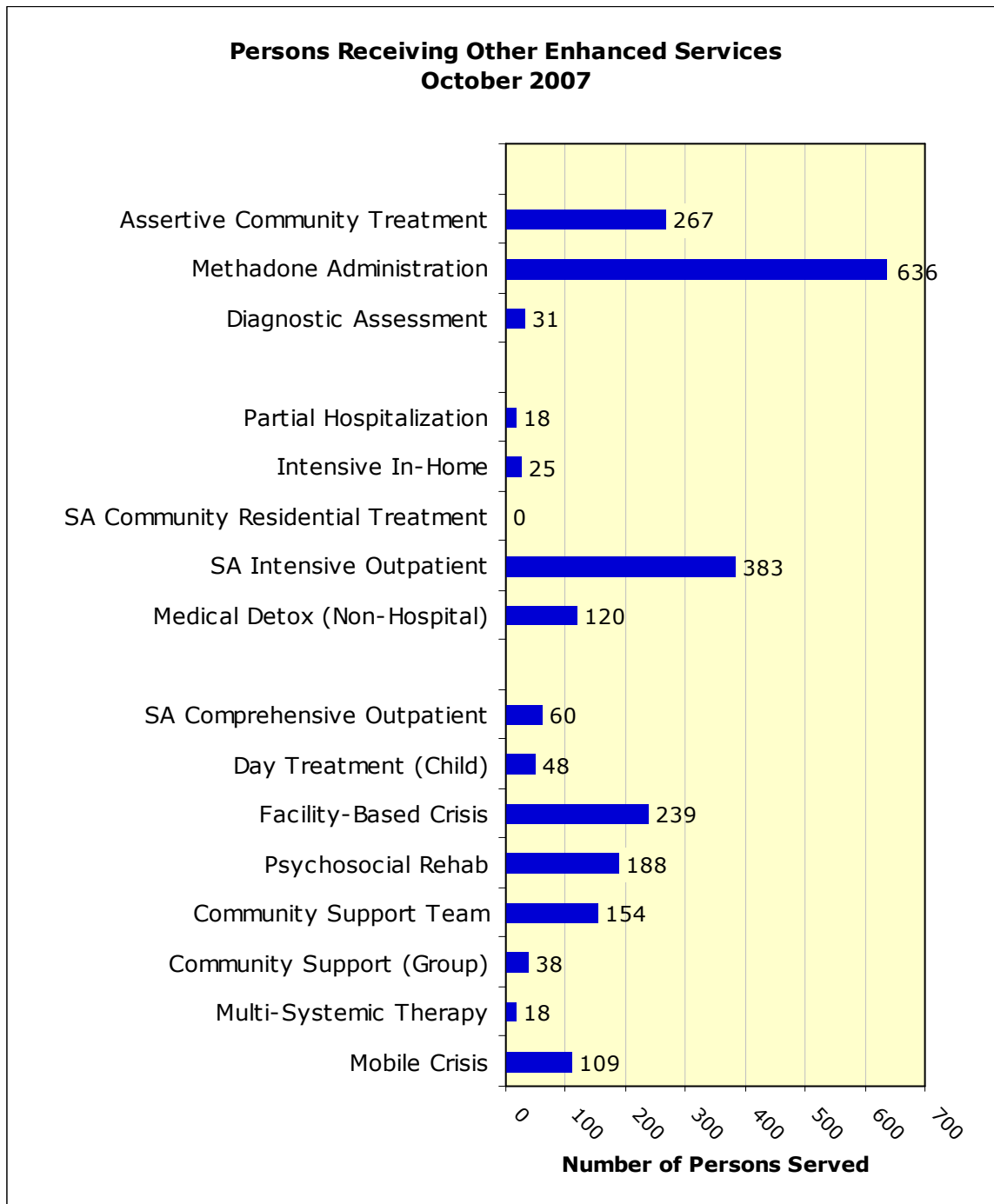
Figure 3.1
Medicaid-Funded Services



⁵ Reported in the Monthly Report on Community Support Services in November 2007.

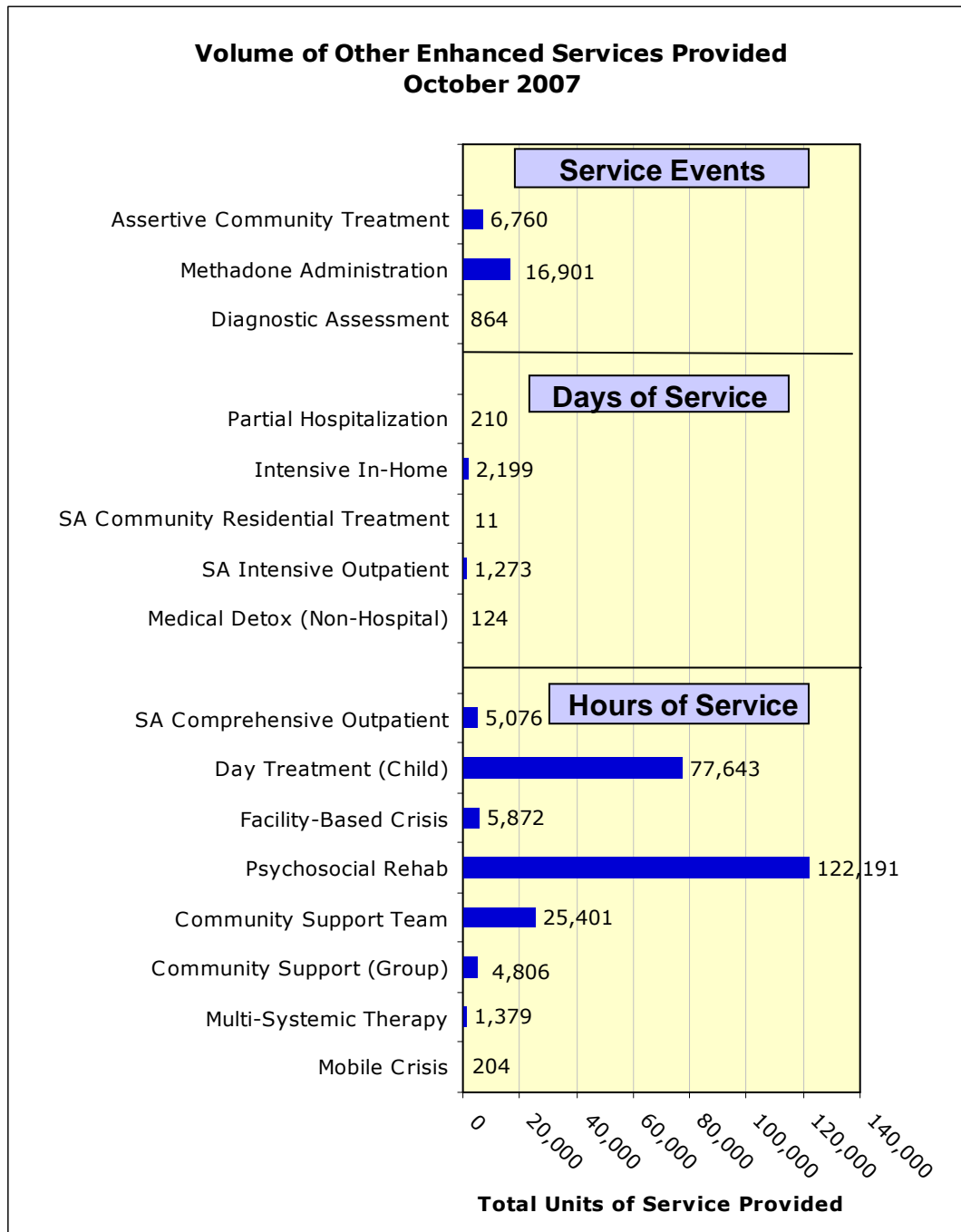
Likewise, more State-funded consumers received community support than other enhanced services. As shown in Figure 3.2, methadone administration and substance abuse intensive outpatient treatment served the most State-funded consumers, after community support services.

Figure 3.2
State-Funded Services



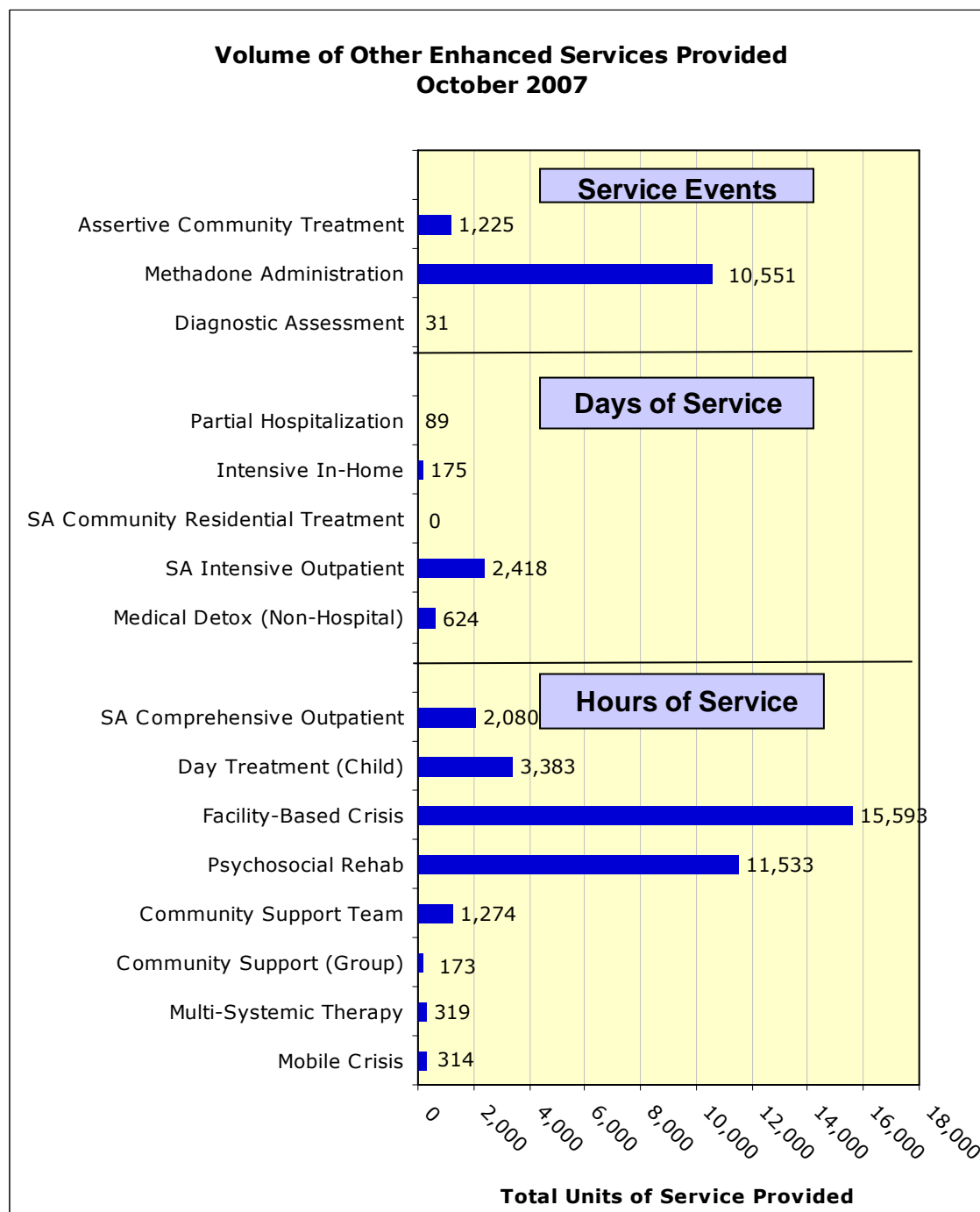
The total hours of other enhanced Medicaid-funded services provided in October 2007 were also less than for community support, as shown in Figure 3.3. For services billed by the hour (or parts of an hour), psychosocial rehabilitation (about 120,000 hours) and child day treatment (over 77,000 hours) were the highest used services next to community support, which had about 1.5 million hours for all ages combined (Refer to Figure 1.3).

Figure 3.3
Medicaid-Funded Services



As shown in Figure 3.4, facility based crisis services (at about 15,600 hours) and PSR (at about 11,500 hours) were the most used State-funded hourly services after community support, at almost 24,000 hours for all ages combined (Refer to Figure 1.4).

Figure 3.4
State-Funded Services



The average hours per person for these services show a different pattern, however. As indicated in Figure 3.5, children and adolescents in Medicaid-funded day treatment that month averaged over twice as many hours as those in community support, 92 hours versus 39 hours respectively. (See Figure 1.11). Likewise, adults in psychosocial rehabilitation averaged 76 hours of service for PSR compared to 28 hours for those in community support. For State-funded services (Figure 3.6) adults in PSR received 12 times as many hours as those in community support (Refer to Figure 1.12). Likewise, children in day treatment received over five times as many hours as those in community support. This is the direction that the service delivery system needs to be developing in order to support other enhanced services.

Figure 3.5
Medicaid-Funded Services

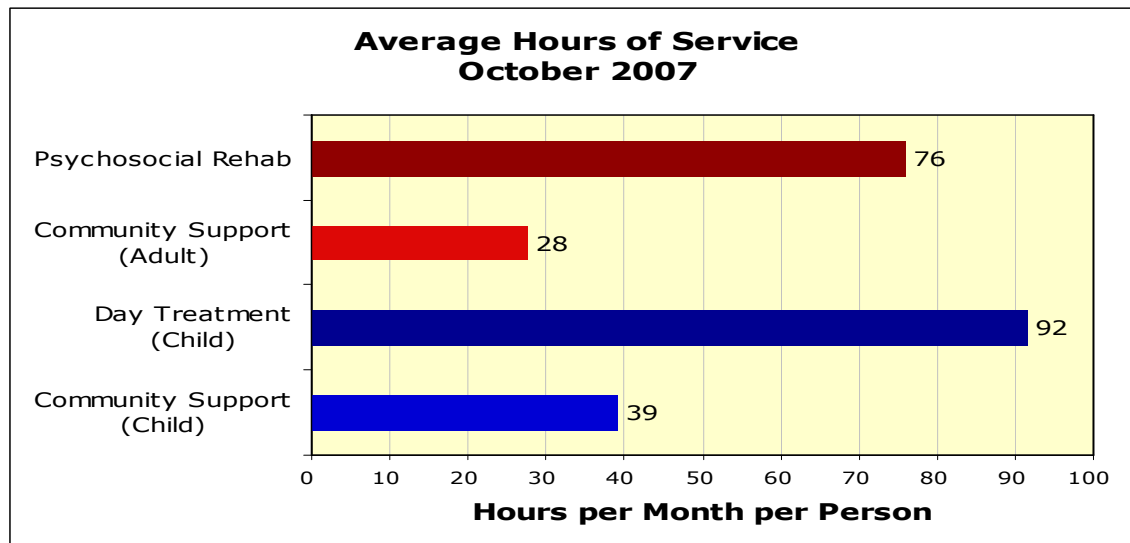
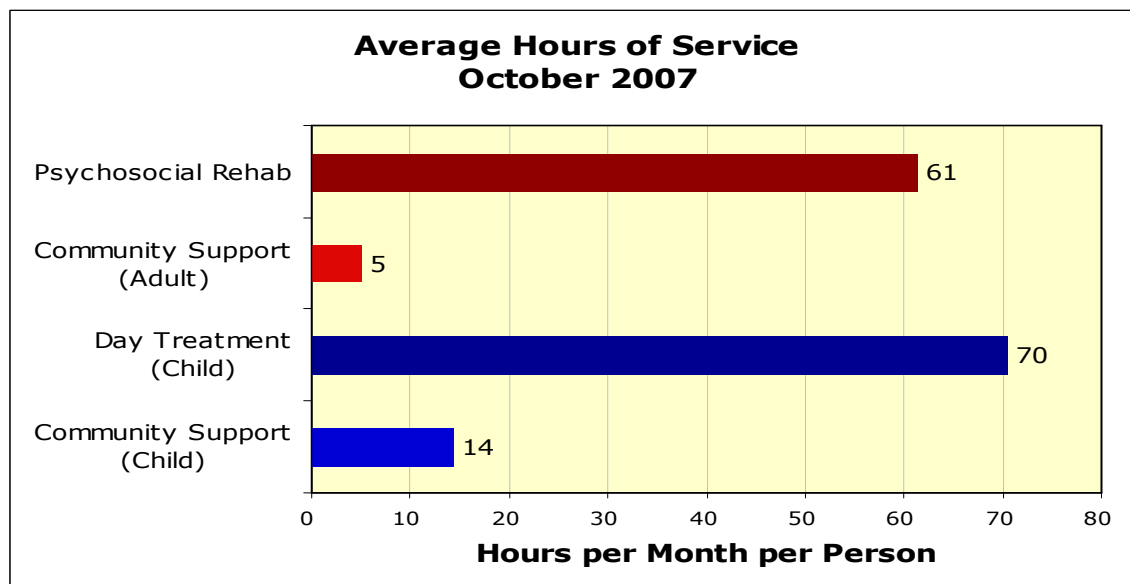


Figure 3.6
State-Funded Services



Day treatment for children is the most costly enhanced service per month per person (as seen in Figures 3.7 and 3.8).

Figure 3.7
Medicaid-Funded Services

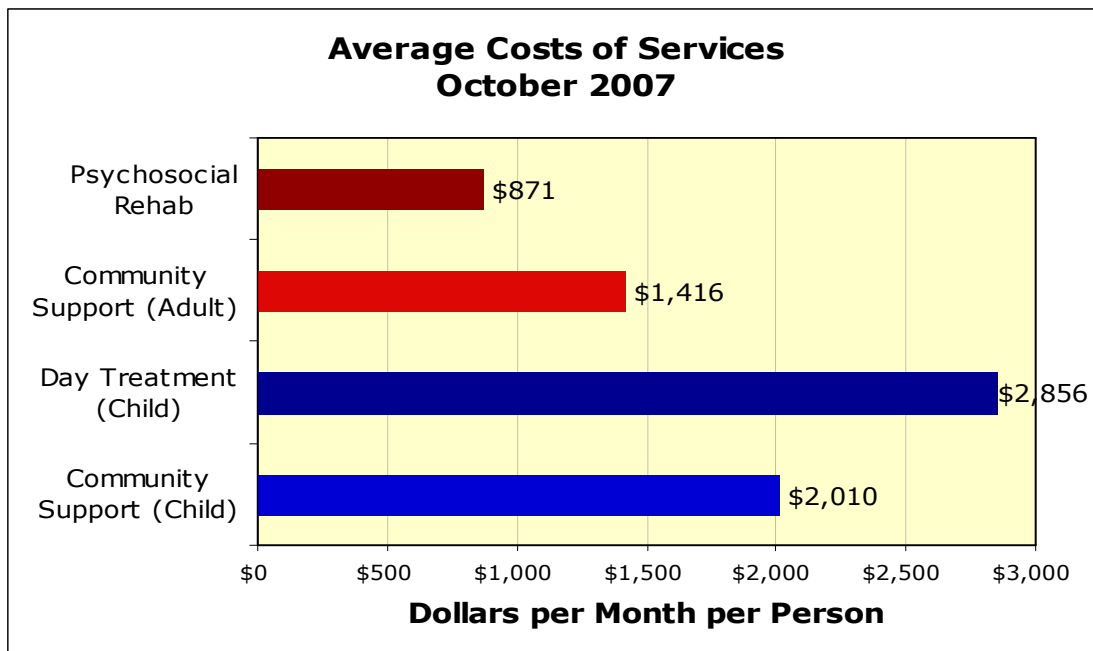


Figure 3.8
State-Funded Services

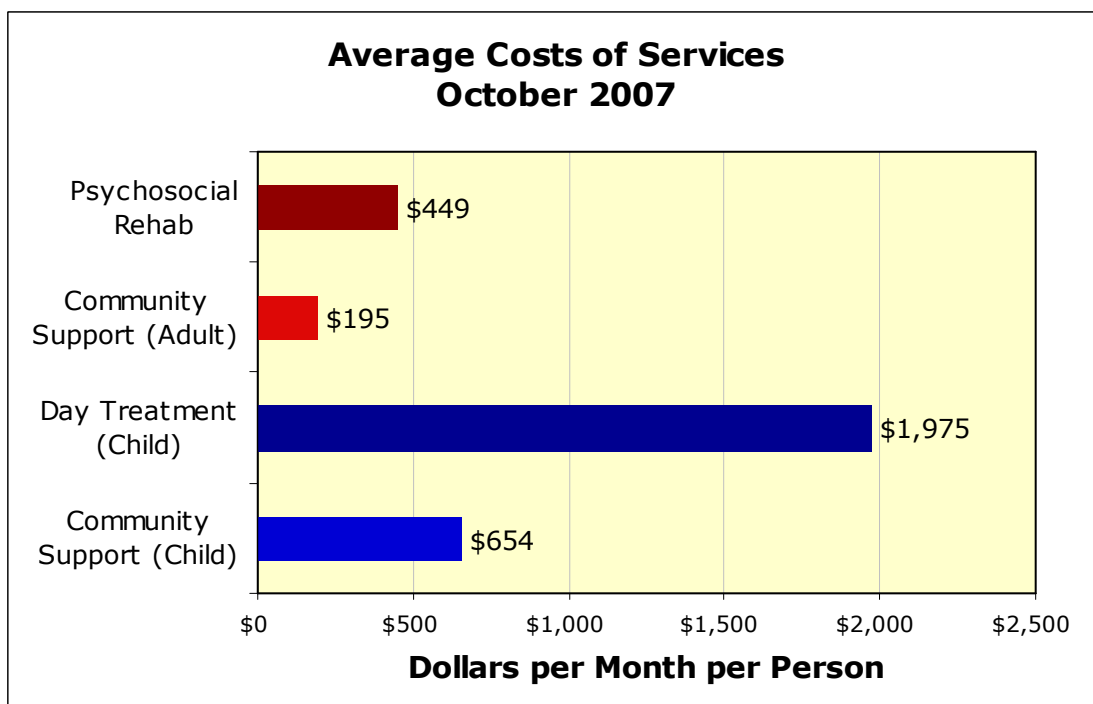
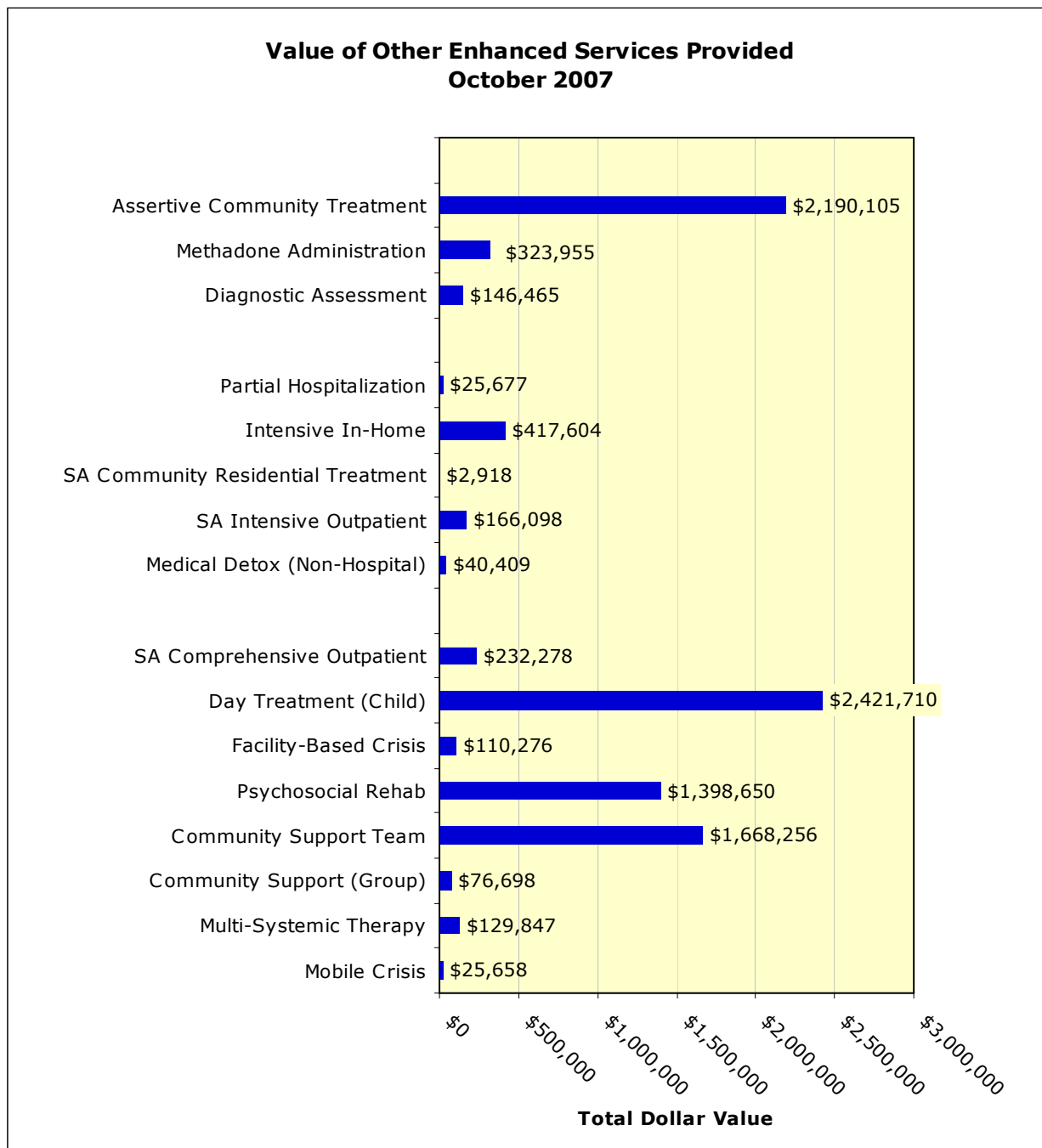


Figure 3.9 shows the total cost of Medicaid-funded enhanced services other than community support that were provided in October 2007. Expenditures for child day treatment was about 2.4 million, while ACTT was slightly lower at about \$2.2 million. The cost of community support team was about 1.7 million, while PSR was about \$1.4 million.. In comparison, community support services were \$54.8 million for children and almost \$20.5 million for adults (Refer to Figure 1.5).

Figure 3.9
Medicaid-Funded Services



The total costs of State-funded enhanced services in October 2007 (Figure 3.10) show a similar pattern for ACTT at almost \$229,000. However, facility-based crisis services at about \$270,500 was the most expensive service after community support, which cost over \$974,000 for all ages combined (Refer to Figure 1.6).

Figure 3.10
State-Funded Services

